

# Health insurance reform bill moves closer to fruition

Democratic leaders in Congress said a final vote on major health insurance legislation could take place within a week or so, though exact details of what they'd be voting on were not yet publicly available when this publication went to press.

Broad outlines were clear, however. The bill would require all uninsured Americans to buy health insurance or face a tax penalty. Subsidies would help lower-income individuals pay for the insurance. Insurance companies would not be allowed to refuse new customers or boot old customers just because they were sick — practices they use now in the market for individual insurance. Insurance would be sold at standardized benefit levels in a government-run exchange, to

make it easier for individuals to decide among different insurance offerings. The cheapest health insurance policies would pay 60 percent of a patient's medical costs. The most expensive employer-provided insurance plans would have a 40 percent excise tax imposed on them above a certain level.

Meanwhile, insurers would have to spend at least 80 percent of the money they collect in premiums on medical claims, and couldn't impose lifetime coverage limits. Dependents could stay on their parents' plans until age 26. Small businesses would get a tax credit if they insure employees.

The bill would also expand Medicaid, the government health insurance program for the poor, to cover every-

one below a certain low income level. It would increase Medicare prescription drug coverage and close the drug coverage "donut hole" — the middle portion of the prescription drug plan in which seniors

currently pay 100 percent of drug costs. It would eliminate Medicare Advantage, the privatized spinoff of Medicare that has proven more expensive than regular

Medicare. And it would raise the Medicare payroll tax on high-income taxpayers, and start collecting it on investment income, not just wage income.

The final version is expected to include a provision introduced by Sen. Jeff Merkley (D-Oregon) that requires construction contractors with five or more employees or over \$250,000 in payroll to provide employee health coverage or pay an annual penalty starting in 2014. The penalty would be \$95 per employee in year one, \$375 year two, and \$750 after that. The measure, applauded by construction unions, would lessen the bid cost advantage of contractors that don't provide health insurance.

One thing that won't be in the final

version, Democratic leaders have assured, is the public option, a government-provided health insurance offering that would have competed with private insurance companies. At the

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request of top Democrats, last fall unions backed a nationwide campaign to demand the public option be included in the bill. But insurance companies opposed

it because competition from a public insurance option would have cut into their profit.

The legislation also does not end the ban on Medicare bargaining for better prices from drug companies, or the ban on individuals importing prescription drugs from countries where governments keep prices low.

Leaders of organized labor earlier objected strongly to the excise tax on high-premium employer-paid health plans, part of the Senate bill. They predicted that to avoid the tax, insurers would lower the cost of premiums by cutting benefits and charging higher co-payments and deductibles. Labor leaders said the threshold was set so low that it would penalize the most expensive union-negotiated

plans.

President Barack Obama met with labor leaders Jan. 11 in the White House, and later announced a compromise excise tax proposal intended to be the final version. Beginning in 2018, the amount of health insurance premiums above \$28,200 per family would be taxed at 40 percent; the threshold would rise each year at the Consumer Price Index, plus 1 percent. Vision and dental coverage would not be counted toward meeting the threshold. Some high-cost states would have a higher threshold, as would plans offered to workers in hazardous professions. The earlier Senate version started the tax in 2013 at a threshold of \$23,000.

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The House passed a version of the bill Nov. 7, and the Senate passed its version Dec. 24. As of press time, Democratic leaders were meeting behind closed doors to determine which features of the bills would go back to each chamber for a final vote.

## Working Families Party to meet March 30

The Working Families Party, an Oregon third party backed by several unions, will hold its first meeting of the year at 6 p.m., Tuesday, March 30, at McMannin's Kennedy School, 5736 NE 33rd Ave., Portland.

Participants will discuss the party's plans, including a campaign for a statewide bank, a voter registration drive, and this year's electoral strategy now that the Oregon Legislature has approved a version of the "fusion" voting the party campaigned for. Working Families Party has sought the right to use its ballot line to "cross-endorse" candidates of other parties. Last year, the Legislature moved to list all party endorsements next to a candidate's name beginning with this year's November general election. Activists believe the change will raise the profile of minor parties like the Working Families Party, which takes positions on bread-and-butter economic issues but remains neutral on divisive social issues.

A social and dancing will follow the business meeting.

## ...Walmart

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year; so would a family of four with income under \$40,792. Basically, any full-time worker earning less than \$9.63 an hour can get food stamps, and part-time low-wage workers are even more likely to qualify.

Witt sought the information in order to build a case that decent employers are those that pay a living wage and provide health insurance, while those that don't are a burden to society. Ultimately, the information could bolster arguments for a "pay-or-play" employer mandate to provide health insurance, another idea Witt has pressed for.

The complete reports, including the top-50 lists, are available online at: [nwlaborpress.org/2010/0319/3-19-10DHS.html](http://nwlaborpress.org/2010/0319/3-19-10DHS.html).



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 4275 NE Halsey St., P.O. Box 13150,  
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 Staff: Don McIntosh, Cheri Rice  
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